



# COMMONWEALTH of VIRGINIA

DAVID A. VON MOLL, CPA  
COMPTROLLER

*Office of the Comptroller*

P. O. BOX 1971  
RICHMOND, VIRGINIA 23218-1971

**December 29, 2004**

**TO:** Agency Fiscal Officers & CAPP Manual Users  
**FROM:** Michael E. Rider, EDP  
**SUBJECT:** Commonwealth Accounting Policies and Procedures (CAPP) Manual—  
Update No. 70 / CARS

Three CARS  
Topics Updated

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**📖 20320—Information Returns Reporting**

**Page 5, General Requirements:** Updates the due dates for filing Calendar Year/Tax Year 2004 information returns to the IRS and to recipients.

**Page 6, What's New for 2004:** Lists changes in the Backup Withholding rates.

**Page 6, What's New for 2004:** Inserts new procedure on how to connect to the IRS via the internet for filing electronically (formerly by telephone dial-up).

**Page 7, Items You Should Note:** Adds information on non-scannable “information only” paper forms on the IRS website. (On second thoughts, please delete references to the SSA and the Form W-2 since this Topic deals primarily with the IRS and the Form 1099).

**Page 8, Items You Should Note:** Adds an explanation of how to access the new IRS TIN Matching Program via their website.

**Page 24, Resident Alien:** Clarifies that a RESIDENT alien is NOT subject to income reporting on a Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding.

**Page 31, Taxable Grant Payments:** Clarifies that taxable grant payments on the Form 1099-G must be reported for ALL types of corporations (unlike Form 1099-M payments which are reported for only medical and legal corporations).

**Page 32, Deceased Employees:** Clarifies that accrued wages must be reported in Box 3 of the Form 1099-M, and not in Box 1 of the Form W-2.

**Page 35, CP 2100 errors:** Adds an easily understood example of the most common TIN matching error that would result in a CP2100 Notice from the IRS.

**Page 35, IRS Backup Withholding (B) Notices:** Clarifies that the vendor has 30 BUSINESS days to respond to an IRS B Notice (previously we just said 30 days).

**Potentially Reportable Object Codes, right hand column:** Adds appropriate Box Numbers used on the Forms for reporting payments, and adds the new objects of expenditure codes from CAPP Topic 60108 that are 1099 reportable, with narrative of exceptions, if necessary.

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*Continued on next page*

### 20355—Small Purchase Charge Card

**Page 5, Card Use:** Inserts information about Accommodations and Restaurant purchases can be lifted by the Agency's Program Administrator.

**Page 36, Overpayment of SPCC and Gold Monthly Invoices:** Adds new information block.

**Other change:** Do not enter a Due Date on each line of your batch; leave the due date field blank. This procedural change is reflected on several pages in the instructions.

### 70805—1099 Reporting Program

No significant revisions.

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#### Status Summary Sheet

An updated *Status Summary Sheet* is shown at our web site and displays the following for each *CAPP Manual* topic:



- Number and Title
- Page Length
- Latest Revision Date

#### Recent Updates

- Update 70 (CARS)—included here
- Update 69 (CARS)
- Update 68 (CARS & CIPPS Leave/Payroll)
- Update 67 (CARS & FAACS)

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#### DOA's CAPP Manual Contact

Michael Rider,  
Electronic Publishing Manager  
Administrative Services  
 michael.rider@doa.virginia.gov  
 (804) 225-3051

(bluecappmemo70.doc)